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SUBJECT: MEDIA REACTION REPORT ran China Rising Oil Prices
PARIS hursday, April 20, 2006

(A) SUBJECTS COVERED IN TODAY'S REPORT:

Iran
China
Rising Oil Prices

B) SUMMARY OF COVERAGE:

Today's front pages are extremely diverse: Le Figaro devotes its lead to the political match between Segolene Royal and Nicolas Sarkozy, who "Distance Their Rivals" in the race for the 2007 presidential election. The first poll, one year before the elections, shows that in the first round Segolene Royal would get 34% of the votes, Sarkozy 30%, Le Pen 10% and Villepin 6%. In a run off between Royal and Sarkozy, Royal gets 51% and Sarkozy 49%.

Liberation concentrates on "Oil and Those Who Profit from Rising Prices." (See Part C) Meanwhile the economic press leads with the IMF's world growth projections of 4.9%, but La Tribune headlines: "Europe's Benefits Little From World Economic Growth." With only 2% projected growth for Europe, the editorial in La Tribune is entitled "Crumbs for Europe" and notes that at the G7 Europe will be "invited to proceed with structural reforms" in order to "get back on the saddle of worldwide competition." Les Echos carries an op-ed entitled "Free-Trade: George Bush's Hindered Ambitions" and comments that while the White House is traditionally "an active agent" of free trade around the world, however "President Bush's weakened position" is making it more difficult for him to make progress in major negotiations, such as at the WTO in the DOHA round.

Iran, China, and Hamas and the Middle East dominate today's international stories. (See Part C) La Croix's question of the day is: "Has Hamas Missed an Opportunity to Show it is Responsible?" According to Bordeaux University Professor Laetitia Bucaille: "Hamas is under pressure from Islamic movements and the government's margin of maneuver is very narrow. Hamas does not want to cut itself from the support of its base, which is in fact its only asset." Le Figaro stages a debate between Shimon Peres and Boutros Boutros-Ghali on "The Middle East of Tomorrow." Peres: "A large majority of the Palestinian population wants peace, in contrast with some of its leaders, and is ready to make major compromises. And this despite Hamas and violence." BBG: "There have been many missed opportunities for peace Today, in order to reach that point that was missed, the international community must give its all. But that support has become improbable, now that the theatre of operations in Iraq has distracted everyone's attention from the Israeli-Palestinian conflict."

Le Monde carries on its front page the Rocky Mountain News' color photo, which won the 2006 Pulitzer prize, showing a casket covered with a U.S. flag, a grieving relative and a Marine. Le Monde notes that both the Pulitzer photo and drawing prizes have gone to scenes depicting the Iraqi war. The drawing, a WHY made up of the 2000 names of U.S. soldiers killed in Iraq, appears on page 6.

Liberation characterizes yesterday's cabinet changes at the White House as "Musical Chair at the White House." Despite the changes in the faces, the Administration is not planning to "refresh" its policy perspectives as called for by Congressional critics. President Bush continues to operate in a "closed bubble" with his inner circle. Le Figaro reports: "Bush loses his spokesman and sends Karl Rove away." For Philippe Gelie, Scott McClellan had been showing signs of "wear and tear." "He chose a cabinet reshuffle to bow out and not call attention to his departure." Gelie also comments: "The President needs new blood to bring up his ratings"

(C) SUPPORTING TEXT/BLOCK QUOTES:

Iran

"Iran: Diplomacy at an Impasse"

Corine Lesnes in left-of-center Le Monde (04/20): "While for President Bush 'every option remains on the table,'

Ahmadinejad is reiterating his threats But while President Bush insisted that 'he wanted to resolve the crisis through diplomacy,' the Pentagon continues to look at detailed scenarios for a military intervention in Iran."

"Iran: Pragmatist or Fanatic?"

Alexandre Adler in right-of-center *Le Figaro* (04/20): "The Iranian President wants war, or at the least a confrontation with the U.S. and Israel. He has just crossed a new yellow line in his verbal escalation. But in fact the beast is wounded and this is why it roars so loud."

China

"American Impatience"

Philippe Gelie in right-of-center *Le Figaro* (04/20): "The Americans are showing their impatience with Hu-Jintao who will be judged on his public statements and his commitments. While many subjects of controversy remain between the two super powers, the growing trade deficit is helping Washington's pessimists gain ground. The step from 'strategic competitor' to 'responsible partner' goes beyond economic stakes: Hu Jintao will be expected to clarify his stance regarding North Korea and Iran."

"China-U.S.: The Infernal Duo that Electrifies the World's Economy."

Muriel Motte in right-of-center *Le Figaro* (04/20): "The day will come when China, which wants to 'improve the living conditions of its population,' will find a better use for its 875 billion dollars than the purchase of U.S. Treasury bonds. That day Beijing will have decided that a competitive exchange rate for the Yuan is no longer needed. Chinese exports will certainly suffer. And the Americans will re-discover that Canada, Mexico, Japan and Europe also have a trade surplus with the U.S. and that the only way to reduce it is still to consume less."

Rising Oil Prices

"Cosmetic Changes"

Gerard Dupuy in left-of-center *Liberation* (04/20): "The changes that politicians called for when oil hit 50 dollars a barrel only 12 months ago were mere cosmetic changes. Now the question is, how can we live with oil at 70 dollars a barrel? President George Bush who represents oil interests and is indifferent to the ecological parameters of this issue is explaining to Americans that they have to get out of oil dependence as quickly as possible. But Bush has yet to add gas tax increases to his good words. The same brilliant inaction is evident in France where the Finance Minister has called for another round table with oil companies which produced nothing last year." STAPLETON